




OFFICE OF
INSURANCE COMMISSIONER

MEMORANDUM

TO: Interested Parties
FROM: Jim Odiorne 
DATE: January 13, 2006
RE: Market Analysis Program

At our meeting on January 5, 2006, you asked about the core competencies adopted by NAIC in December 2005, and their implementation. Please note that the overriding goal of Market Analysis is to increase and enhance collaborative efforts among the states. Ultimately the proposed continuum of regulatory responses will allow for a reduction of examinations by eliminating duplicate efforts by various states which we understand to be an industry concern.

Attached is a copy of the core competencies as adopted by NAIC in December 2005. This list includes notes about areas in which additional competencies are expected to be developed.

I consulted NAIC staff about the implementation of these core competencies. It is my understanding from NAIC staff that there is not a document that spells out an implementation schedule. NAIC staff expressed their understanding that the core competencies adopted in December 2005 are effective now. NAIC staff believes that during 2006 a schedule for reporting core competency compliance will be adopted. The reporting of core competency compliance will replace the self-reporting structure in place for market analysis the past two years. At this point NAIC staff expect a requirement for core competency compliance self reporting in the first quarter of 2007.

As you can see from the attached list, many of the core competencies cannot be accomplished overnight. Some require statutory changes and are therefore a year away.

cc: Beth Berendt
Mary Clogston
Leslie Krier

**Core Competencies
Uniformity Working Group
November 18, 2005 Draft**

| GENERAL TOPIC/AREA | STANDARDS/COMMENTS |
|------------------------------------|---|
| Resources | |
| <i>Regulatory Authority</i> | <p>The Department of Insurance should have authority to analyze, examine, or investigate regulated entities whenever it is deemed necessary. Such authority should include complete access to the regulated entity's books and records and, if necessary, the records of any affiliated regulated entity, insurance producer, or other entity contracted with to perform any additional services. Such authority should extend not only to inspect books and records but also to examine officers, employees, and insurance producers of the regulated entity under oath when deemed necessary with respect to transactions directly or indirectly related to the regulated entity under examination or review.</p> <p>Measures should include:</p> <ul style="list-style-type: none"> • Statutory authority to perform the continuum of regulatory responses • Ability to access records • Ability to keep records confidential • An unfair trade practices act and unfair claims settlement act substantially similar to the NAIC model |
| <i>Staff & Training</i> | <p>The Department of Insurance should have staff sufficient to perform the continuum of regulatory options including market analysis, market conduct examinations and market conduct investigations. On an ongoing basis, appropriate market analysis should be performed to identify regulated entities of concern. Appropriate prioritization of further investigation and continuum options should be pursued effectively and timely to protect the interests of consumers.</p> <p>Departments of Insurance should ensure that staff is sufficiently qualified to conduct examinations, other continuum options or analysis as needed. The Department of Insurance shall appoint a Market Analysis Chief (MAC) and Collaborative Actions Designee (CAD) and ensure their participation at all NAIC Quarterly meetings..</p> |
| Market Analysis | |
| <i>Data Collection</i> | <p>Ability to gather and evaluate data as demonstrated by: 1) utilization of the Market Analysis Review System; 2) collection of data as required by the Commissioner, Director or Superintendent; and, 3) for participating Departments of Insurance, collection of data for the Market Conduct Annual Statement; 4) Use of the standardized data calls when there is a need for the collection of relevant data prior to the initiation of an investigation of market regulatory action.</p> |
| <i>Analysis</i> | <p>Departments of Insurance shall gather information from data currently available to the Department of Insurance, as well as surveys and required reporting requirements, information collected by the NAIC and a variety of other sources in both the public and private sectors, and information from within and outside the insurance industry. The information shall be analyzed in order to develop a baseline understanding of the marketplace and to identify for further review regulated entities or practices that deviate significantly from the norm or that may pose a potential risk to the insurance consumer.</p> |
| Continuum | <p>Departments of Insurance should further evaluate and document market problems using the continuum of market regulatory responses.</p> |
| <i>Market Conduct Examinations</i> | <p>A Department of Insurance should have standards in place to determine when a market conduct exam is called. Departments of Insurance should adhere to the standards in the Market Regulation Handbooks, including uniformity guidelines.</p> |
| <i>Investigations</i> | <p>Investigations should be conducted in accordance with investigation standards. When appropriate, investigations should be posted in any appropriate NAIC database and upon completion, if regulatory action is taken, in RIRS.</p> |
| Interstate Collaboration | <ul style="list-style-type: none"> • Participation with MAWG to include, but not be limited to, participation in calls and surveys. • Timely entry and participation in the NAIC databases. • Notifying the Collaborative Actions Designee or Market Analysis Chief of the domestic Department of Insurance when you realize you are considering one of the continuum of regulatory responses. • Verifying the Department of Insurance can ensure the confidentiality of materials and data as necessary. • Follow the collaborative actions guidelines for recommendations to MAWG. |

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Competency: Resources
SubSection: Regulatory Authority

The Department of Insurance should have authority to analyze, examine, or investigate companies whenever it is deemed necessary. Such authority should include complete access to the regulated entity's books and records and, if necessary, the records of any affiliated regulated entity, insurance producer, or other entity contracted with to perform any additional services. Such authority should extend not only to inspect books and records but also to examine officers, employees, and insurance producers of the regulated entity under oath when deemed necessary with respect to transactions directly or indirectly related to the regulated entity under examination or review.

The following standards apply to this competency:

Standard One. The Department of Insurance has the necessary authority to implement the continuum of regulatory options.

The Department of Insurance should have authority to examine companies whenever it is deemed necessary. Such authority should include complete access to the regulated entity's books and records and, if necessary, the records of an affiliated regulated entity, agent, and managing general agent. Such authority should extend not only to inspect books and records but also to examine officers, employee, and agents of the regulated entity under oath when deemed necessary with respect to transactions directly or indirectly related to the regulated entity under examination. The NAIC Model Law on Examinations or substantially similar provisions shall be part of state law.

Note: The initial draft of the competencies for the continuum of regulatory responses only includes standards for conducting examinations. Additional standards will be added for other response options in 2006.

Standard Two. The Department of Insurance has the necessary authority to take corrective action when necessary.

The Department of Insurance should have the authority to take corrective action or issue cease and desist orders for practices that are determined to be in violation of state law.

Standard Three. The Department of Insurance has the ability to keep records confidential, when appropriate.

Departments of Insurance should allow for the sharing of otherwise confidential information, administrative or judicial orders, or other action with other Department of Insurance regulatory officials providing that those officials are required, under their law, to maintain its confidentiality. The Department of Insurance should have a documented policy to cooperate and share information with other regulators directly and also indirectly through committees established by the NAIC which may be reviewing and coordinating regulatory oversight and activities. A Master Confidentiality and Information Sharing Agreement shall be executed and available for review in I-Site.

Standard Four. The Department of Insurance has statutory restrictions to protect insurance consumers.

The Department of Insurance should have a regulatory framework designed for the protection of insurance consumers. The NAIC Unfair Trade Practices Act or substantially similar provisions shall be part of Department of Insurance law.

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Competency: Resources

SubSection: Staff and Training

The Department of Insurance should have staff sufficient to perform the continuum of regulatory options including market analysis, market conduct examinations and market conduct investigations. On an ongoing basis, appropriate market analysis should be performed to identify companies of concern. Appropriate prioritization of further investigation and continuum options should be pursued effectively and timely to protect the interests of consumers. Departments of Insurance should ensure that staff is sufficiently qualified to conduct examinations, other continuum options or analysis as needed. The Department of Insurance should ensure they have appointed a Market Analysis Chief and Collaborative Actions Designee.

Standard One. The Department of Insurance has a policy that encourages the professional development of market regulation staff through job-related college courses, professional programs, and/or other training programs.

Standard Two. The Department of Insurance has minimum educational and experience requirements for all professional employees and contractual staff positions in the market regulation and market analysis area that are commensurate with the duties and responsibilities of the position.

The Department of Insurance should have examiners with appropriate experience to perform necessary tasks. Although not required, credentials such as Certified Insurance Examiner (CIE), Accredited Insurance Examiner (AIE), Chartered Property Casualty Underwriter (CPCU), Fellow of the Life Management Institute (FLMI), AAI, AAM, AAPA, ACP, ACS, AFSB, AIAA, AIAF, AIC, AIC, AIM, AIRC, AIS, AIT, ALCM, AMIM, APA, API, ARA, ARC, ARe, ARM, AU, ARM-P, ARP, ASLI, AU, CCP, CFE, CIC, CISR, ChFC, CLU, CRM, FFSI, INS, LIA, PCS, REBC, RHU, and SM or similar designations may demonstrate expertise in insurance.

Standard Three. The Department of Insurance should have the ability to attract and retain qualified market regulation personnel.

Standard Four. If a Department of Insurance elects to utilize contracts with individuals or firms to conduct market regulatory activities, the Department of Insurance should ensure the activity is conducted in accordance with the Department of Insurance's established policies and procedures, and applicable state law.

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Competency: Market Analysis
SubSection: Analysis

States shall gather information from data currently available to the Insurance Department of Insurance, as well as surveys and required reporting requirements, information collected by the NAIC and a variety of other sources in both the public and private sectors, and information from within and outside the insurance industry. The information shall be analyzed in order to develop a baseline understanding of the marketplace and to identify for further review regulated entities or practices that deviate significantly from the norm or that may pose a potential risk to the insurance consumer.

The following standards apply to this competency:

Standard One. **The Department of Insurance has completed Level 1 Analysis and meets any recommended standards established by the Market Analysis Working Group on an on-going basis.**

Standard Two. **The Department of Insurance has appointed a Market Analysis Chief and promptly notifies the NAIC if the Market Analysis Chief changes.**
Each Department of Insurance needs a clearly identified person to whom all other Department of Insurance staff should share indicators of potential market regulation problems and who will also coordinate information sharing with other Department of Insurances through the NAIC's Market Analysis Working Group and oversee the Department of Insurance's market analysis.

Standard Three. **The Department of Insurance has established a systematic procedure for interdivisional communication.**
It is essential for information to be shared and discussed between the Market Analysis Chief and other Department of Insurance staff. This should be done on a systematic basis, including at a minimum a quarterly questionnaire requesting other work areas within the Department of Insurance to share unusual activity that may be of interest to the Market Analysis Chief such as patterns of adverse financial data, consumer complaints, policy termination activity, insurance producer misconduct, or use of noncompliant forms or rates.

Standard Four. **The Department of Insurance has identified core information that all staff should share with the Market Analysis Chief.**
In particular, all Department of Insurance staff should share any of these indicators to the Market Analysis Chief when the information is received in the Department of Insurance (e.g., annual statements, holding company regulated entity reports, license transactions):

- Significant changes in the ratio of consumer complaints against the regulated entity or significant numbers of complaints in a relatively short period of time;
- Dramatic growth (> +33%) or decline (< -10%) in one or more lines of business;
- Significant changes in the regulated entity's book of business;
- Rapid expansion into new Departments of Insurance and significant premium volume in new Departments of Insurance;
- Significant concentrations of risk—geographically, by line of business or exposure—or significant changes in the concentrations of risk;
- Significant changes in expense levels (such as defense costs or commissions);
- Recent change of the state of domicile of a major writer in an regulated entity group;
- Recent changes in ownership or senior management;
- A high degree of reliance on third parties to perform regulated entity functions, such as MGAs or TPAs; and

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- Significant problems with electronic data processing systems such that the integrity of data underlying claims, underwriting and financial systems is questionable.

Standard Five. The Department of Insurance has developed and instructed complaint analysts in key indicators in complaint data.

Complaint analysts in the Department of Insurance should share the following types of information to the Market Analysis Chief at the time the Department of Insurance receives this information:

- Specific complaints so critical that one complaint merits reporting (e.g., antitrust);
- Spikes in complaints against the same regulated entity on the same product/practice during a specific time interval (e.g., 10 new complaints in a week); and
- Any of the other indicators listed in Standard Four.

Standard Six. The Department of Insurance identifies potential problems from complaints.

As a minimum, complaint ratios should be calculated annually at a regular time and the Market Analysis Chief should use information generated on regulated entities with ratios outside of the norms, along with other information about those companies available in the Department of Insurance, to determine whether any further review is necessary.

Standard Seven. Annual statement State pages and other financial indicators are routinely shared with the Market Analysis Chief.

Every regulated entity—foreign as well as domestic—is required to file a State page with each state in which it is licensed, to show changes in the regulated entity's business in the Department of Insurance. In most insurance Department of Insurances, a significant amount of staff resources at that time are devoted to review and analysis of the financial statements. While such financial analysis should be primary, at some point after the Blanks are received, the Market Analysis Chief should be aware of:

- Significant increases or decreases in premium volume;
- Significant increases in reserves without corresponding changes in direct losses paid;
- Significant changes in loss ratio or significant deviations from market norms; and
- Significant increases in defense costs without corresponding changes in direct losses. (for liability regulated entities)

Standard Eight. There is an established baseline market analysis program on a coordinated schedule.

All Departments of Insurance should analyze the various data elements and indicators within the same general timeframe, so that if one or more of the Departments of Insurance have issues with a particular regulated entity, then they can discuss it first within the framework of MAWG. Results should be compiled and reviewed on no less than a quarterly schedule.

Standard Nine. The Department of Insurance coordinates results with the NAIC Market Analysis Working Group: In addition to reporting plans for examinations and investigations, all noteworthy market analysis results should be recorded in NAIC systems. Concerns with nationally significant companies should be specifically noted when reporting to MAWG and issues that appear to focus on a small number of other Departments of Insurance should be brought to those Departments of Insurance' attention.

Standard Ten. The Department of Insurance's procedures require that all material adverse indications be promptly presented to the commissioner or an appropriate

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designee for determination and implementation of appropriate regulatory action.

Upon the reporting of any material adverse findings from the market analysis staff, the Department of Insurance should take timely action in response to such findings or adequately demonstrate the determination that no action was required. Action should include but not be limited to the NAIC's Continuum of Regulatory Options. Departments of Insurance should be mindful that findings that suggest potential solvency concerns should be promptly reported to the appropriate financial regulation staff.

Standard Eleven. The Department of Insurance provides for appropriate supervisory review and comment.

Standard Twelve. The Department of Insurance has documented procedures. The Department of Insurance should have documented market analysis procedures and/or guidelines to provide for consistency and continuity in the process and to ensure that appropriate analysis procedures are being performed on each regulated entity.

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Competency: Market Analysis
SubSection: Data Collection

Ability to gather and evaluate data as demonstrated by: 1) utilization of the Market Analysis Review System; 2) collection of data as required by the Commissioner, Director or Superintendent; and, 3) for participating Departments of Insurance, collection of data for the Market Conduct Annual Statement; 4) Use of the standardized data calls when there is a need for the collection of relevant data prior to the initiation of an investigation of market regulatory action.

The following standards apply to this competency:

Standard One. The Department of Insurance fully participates in CDS, ETS, and RIRS.

“Full” participation means that all CDS, ETS, and RIRS data in the Department of Insurance is submitted electronically to the appropriate NAIC databases in a frequent, current, accurate, and complete manner.

Each Department of Insurance will be asked to certify they have timely and completely submitted all CDS, ETS and RIRS information in their databases for calendar year.

Standard Two. Departments of Insurance should reference and utilize information available through the various databases and resources in I-Site.

Standard Three. Department of Insurances should actively utilize the Market Annual Review System

Standard Four. Departments of Insurance should make reasonable attempts to avoid duplicative and overlapping data collection whenever possible. Department of Insurance should use the uniform data calls for data collection purposes or allow for additional reporting time if deviations from the uniform data calls are necessary.

Standard Five. Departments of Insurance collecting data, including data collected through the Market Conduct Annual Statement, should ensure the data is shared and considered in the market analysis process.

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Note: The initial draft of the competencies for the continuum of regulatory responses only includes standards for conducting examinations. Additional standards will be added for other response options in 2006.

Competency: The Continuum

SubSection: Market Conduct Examinations

A Department of Insurance should have standards in place to determine when a market conduct exam is called. Departments of Insurance should adhere to the standards in the Market Regulation Handbooks, including uniformity guidelines.

The following standards apply to this competency:

Standard One. Each Department of Insurance shall prioritize examinations.

Each Department of Insurance shall establish criteria for calling a market conduct examination. Departments of Insurance shall establish a priority or weight for each of the criterion being considered.

Each Department of Insurance shall prepare a schedule of examinations and select a person responsible for developing and maintaining the schedule. Exceptions may be made when an examination is called as a "no-knock" examination.

The trigger or reason for the examination shall be maintained in the examination documents, preferably the work papers, and where appropriate shared with the regulated entity.

Standard Two. Departments of Insurance shall utilize the exam tracking system (ETS).

As soon as scheduled, each Department of Insurance shall enter the examination into the ETS, which is administered by the NAIC.

Each Department of Insurance shall adopt a system for ensuring proper implementation and maintenance of the ETS system. The NAIC will develop aids such as a data entry checklist that will assist in maintaining the ETS program.

Standard Three. Exams shall be entered into the ETS no later than 60 days before the expected date of the onsite examination.

Exceptions to this rule are examinations that are called to respond to more immediate conditions, or to accommodate the schedule of the regulated entity.

Standard Four. Each Department of Insurance shall develop a standard planning process.

Many of the items reviewed may have been used in the examination priority process and may become the basis for the pre-examination planning.

- At the end of the planning process, the Department of Insurance shall determine the phases and/or standards of the examination that require more attention, the phases or standard that require average examination scrutiny or attention and those that require a reduced emphasis or may be waived
- Each Department of Insurance shall prepare an examination work plan prior to the examination. The work plan or planning memorandum shall include:
 - a. The scope of the examination;
 - b. The justification for the examination;
 - c. A time and cost estimate; and
 - d. An identification of factors that will be included in the billing.

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Standard Five. Each Department of Insurance shall develop a system to announce the examination to the selected regulated entity.

The announcement of the examination should be sent to the regulated entity as soon as possible but in no case not any later than 60 days before the estimated commencement of the onsite examination. The announcement notice should contain:

- The name and address of the regulated entity(ies) being examined;
- The name and contact information of the examiner-in-charge;
- The date the onsite examination is expected to begin;
- The statutory authority for the examination;
- The identification of items that will be billed to the regulated entity, if any;
- A request for the regulated entity to name its examination coordinator; and
- Additional information may be requested at a later date.
- If the examination is to be lead by a Contract Firm, the regulated entity shall be notified.

Standard Six. Each Department of Insurance shall develop a preliminary examination packet or handbook that should be sent to the examination coordinator as soon as possible but in no case not any later than 30 days before the estimated commencement of the onsite examination.

The preliminary information shall contain the following information:

- General instructions;
- The scope of the examination;
- The materials requested to perform the examination;
- Data calls;
- Requirements for accommodations and supplies including modem requirements;
- Time and cost estimates;
- Travel information;
- Specific instructions regarding sampling, communications with the regulated entity and other pertinent information;
- Location of on-site examination;
- Security arrangements; and
- Billing procedures.

Standard Seven. Departments of Insurance shall adopt the standardized data calls Contained in the Uniformity Guidelines.

If a Department of Insurance deviates from the standardized data call, it will notify the regulated entity of the deviation and may want to allow additional time for the regulated entity to provide the information.

Standard Eight. The Department of Insurance shall provide an opportunity for a pre-examination conference with the regulated entity coordinator and key personnel to clarify expectations prior to the commencement of the examination.

Standard Nine. The Department of Insurance shall develop a system for exchanging information with the regulated entity that advises them of the errors and other problems developed during the examination.

The system could consist of "crit" sheets, summaries, or both. Any form of communication concerning errors should include the following information:

- Record numbers or other identifying factors;
- The examiners' statement of the problem or error and, if relevant, the applicable law and/or standard; and
- A request for signature and comment from the regulated entity.

Standard Ten. Each Department of Insurance shall develop a procedure for document handling including the removal of original documents where that is necessary, to a location other than the Department of Insurance.

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To address the issue of confidentiality, original work paper documents shall remain at the Department of Insurance, especially if the examiner is a contracted employee of the state Department of Insurance.

Standard Eleven. Departments of Insurance shall use documented sampling guidelines or develop their own scientifically based sampling program.

- All sampling methods should be random.
- If using a method other than the NAIC sampling guidelines, the method shall indicate the confidence levels, tolerable error rates and include extrapolation.
- All sampling methods shall avoid pre-selection, however, stratified sampling is allowed.

Standard Twelve. Each Department of Insurance shall offer to conduct an exit conference at the end of an examination.

The exit conference should offer the following:

- The examination status and proposed findings;
- The report process; and
- An explanation of any post examination billing.

Standard Thirteen. The Departments of Insurance shall utilize the standard report format found in the Market Regulation Handbook.

Each report shall at a minimum include the following:

- Title page;
- Table of contents;
- Salutation;
- Foreword;
- Scope;
- Executive Summary;
- Results of Previous Examinations;
- Pertinent facts of the current examination;
- Summarization; and
- Appendices.

Standard Fourteen. Departments of Insurance shall utilize a standardize timeline as required by the state's statute or the NAIC examination model.

- The draft report is delivered to the regulated entity within 60 days of completion of the examination;
- The regulated entity must respond with comments to the Department of Insurance within 30 days;
- The Department of Insurance has 30 days to informally resolve issues and prepare a final report (unless there is a mutual agreement to extend the deadline); and
- The regulated entity has 30 days to accept the final report or request a hearing.

Standard Fifteen. The Departments of Insurance shall include the regulated entity's response in the final examination report where allowed by law.

The response may be included as an appendix or in the text of the examination report. If it is not in the final report, the report should indicate that a response is available. The regulated entity is not obligated to submit a response. Individuals involved in the examination should not be named in either the report or the response except to acknowledge their involvement.

Standard Sixteen. Departments of Insurance shall publish final reports as public documents where allowed by law.

- Departments of Insurance should publish the final examination report on the insurance Department of Insurances' websites.

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- Department of Insurance shall develop a process for releasing final examination results to the public. A press release may be used.

Standard Seventeen. Departments of Insurance should be able to demonstrate an enforcement strategy, and specifically the role of market conduct activities in that effort.

An enforcement strategy would have to have a system in place to differentiate between willful actions and inadvertent ones, and considering appropriate administrative resolutions whether it is financial or non-financial. Departments of Insurance should also want to consider a methodology for determining the amounts of fines, based on a host of criteria including the size of the regulated entity, the market share, whether the problems have been corrected, and any host of mitigating or aggravating circumstances.

Standard Eighteen. Each Department of Insurance shall establish a process to follow up on examination and/or investigative findings.

Competency: Interstate Collaboration

Interstate collaboration may be accomplished by the following:

- Participation with MAWG to include, but not be limited to, participation in calls and surveys.
- Timely entry and participation in the NAIC databases.
- Notifying the Collaborative Actions Designee or Market Analysis Chief of the domestic Department of Insurance when you realize you are considering one of the continuum of regulatory responses.
- Verifying the Department of Insurance can ensure the confidentiality of materials and data as necessary.
- Follow the collaborative actions guidelines for recommendations to MAWG.

The following standards apply to this competency:

Standard One. The Market Analysis Chief or their designee is actively involved with MAWG and participates in MAWG meetings.

Standard Two. The Market Analysis Chief or their designee must participate on the quarterly MAWG/MAC conference calls.

Standard Three. The Collaborative Actions Designee or their designee is actively involved with MAWG and participates in the MAWG-X (executive sessions and conference calls of MAWG-X) meetings.

Standard Four. The Department of Insurance participates timely, completely, and fully in the NAIC databases.

Standard Five. The referring Department of Insurance has taken recommended action on all companies it has referred to MAWG.

If a Department of Insurance refers a regulated entity to the MAWG agenda that results in a collaborative action, a lead Department of Insurance(s) will be identified and the lead Department of Insurance(s) will identify additional participating Departments of Insurance as identified in the Collaborative Actions Guide. The referring Department of Insurance should continue to participate and support the MAWG initiative.

Standard Six. The Department of Insurance follows the procedures in the *NAIC Market Regulation Handbook Coordination of State Collaborative Efforts* chapter.

Standard Seven. Referrals to MAWG are made when appropriate and when material issues may impact other jurisdictions. Referrals should be made by the Collaborative

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Actions Designee, Deputy Insurance Commissioner, Insurance Commissioner or other individual designated by the Commissioner.

- Standard Eight.** Department of Insurance referrals and accompanying materials to MAWG are provided in the format developed and approved by the MAWG working group or NAIC D-Committee as appropriate.
- Standard Nine.** In instances where MAWG refers an issue to the Department of Insurance, and the Department of Insurance accept responsibility for following through with the recommendation, the Department of Insurance reviews the issue in a timely manner and responds timely and appropriately to MAWG.
- Standard Ten.** The Department of Insurance participates in collaborative activities or communicates with other affected states when there are common areas of concern between Departments of Insurance but the issue is not appropriate for referral to MAWG.
- Standard Eleven.** The Department of Insurance notifies MAWG when a material issue has been detected and the regulated entity has offered to take corrective action in all impacted jurisdictions.
- Standard Twelve.** When appropriate, the Department of Insurance participates in collaboration actions and settlements.
- Standard Thirteen.** Upon the reporting of any material adverse findings from the market analysis staff, the Department of Insurance should take timely action in response to such findings or adequately demonstrate the determination that no action was required.
- Standard Fourteen.** The Department of Insurance should make reasonable efforts to respond to inquiries from the Market Analysis Working Group, NAIC D-Committee and other working groups formed by the NAIC to aid in the market analysis process.